

Exhibit 7

August 24, 2022

**Via Email - *web@bapeus.com*
and Overnight Carrier**

USAPE LLC
91 Greene Street
New York, NY 10012-3803

and

USAPE LLC
c/o United Agent Group, Inc.
3411 Silverside Rd., Tatnal Building #104
Wilmington, DE 19810

Re: **Notice of Violations Regarding Nike's Trademark Rights**

To USAPE LLC,

We represent Nike, Inc. (“Nike”) in intellectual property matters. We write regarding USAPE LLC’s (“BAPE’s”) recent re-emergence in the U.S. footwear market as well as its recent announcement regarding a planned footwear collaboration with Disney and Marvel. Several BAPE products make unauthorized use of the distinctive trade dress of Nike’s iconic Air Force 1 and Dunk shoe designs and are likely to cause confusion and/or dilution, or to create an erroneous association between your company’s footwear product offerings, Disney, Marvel, and Nike.

Relevant to this letter, Nike owns trade dress rights covering its iconic Air Force 1 and Dunk shoe designs, as shown below (the “NIKE Trademarks”).

Arnold&Porter

USAPE LLC
August 24, 2022
Page 2

The NIKE Trademarks



Nike has continuously promoted and sold a wide range of goods under the NIKE Trademarks for many decades. The NIKE Trademarks are recognized as source identifiers for the high-quality products originating exclusively from Nike. Nike owns both common law and registered trademark rights in the NIKE Trademarks. Many of these registrations are incontestable and constitute conclusive evidence of the validity of the NIKE Trademarks, NIKE's ownership of the NIKE Trademarks, and NIKE's exclusive right to use the NIKE Trademarks.

As a trademark owner, Nike is obligated under the law to guard against unauthorized uses of its marks that may impact its rights. Consequently, Nike regularly monitors the marketplace for unauthorized reproductions of its trademarks, and takes steps to resolve unauthorized uses where necessary. Such unauthorized uses include the

USAPE LLC
August 24, 2022
Page 3

manufacture, promotion, and/or offer for sale of footwear that infringes Nike's intellectual property rights in its iconic Air Force 1 and Dunk designs. Indeed, Nike is actively enforcing its rights against parties involved in the manufacture, promotion, and/or sale of such infringing products. *See, e.g., Nike, Inc. v. Warren Lotas*, No. 2:20-cv-09431, 2020 WL 7264552, at *1 (C.D. Cal. Nov. 18, 2020) (granting Nike's Motion for a Preliminary Injunction against Warren Lotas); *Nike, Inc. v. La La Land & John Geiger*, No. 2:21-cv-00443 (C.D. Cal.) (infringement judgment entered against La La Land; ongoing as to John Geiger); *Nike, Inc. et al. v. Waskowiak et al.*, No. 3:21-cv-1068, D.I. 15 (D. Or., Dec. 13, 2021) (infringement judgment entered against KickRich); *Nike, Inc. v. Customs By Ilene Inc.*, No. 5:21-cv-01201-JWH-SP (C.D. Cal.) (ongoing). Nike's enforcement against this type of illegal activity not only protects Nike's trademark rights, but also ensures that consumer expectations will be met when purchasing products bearing the NIKE trademarks.

We recently learned your company, BAPE, allegedly together with Disney and Marvel, is unlawfully promoting and intends to sell shoes that make unauthorized use of the distinctive trade dress of Nike's Air Force 1 shoe design. While it is not clear to us that Disney and Marvel are legitimately involved with the "A BATHING APE® X MARVEL" release, BAPE's involvement is clear.¹ Example images are shown below (the "Infringing Collaboration Products")².

The Infringing Collaboration Products



¹ See, e.g., <https://www.instagram.com/p/ChcafCfrVgD/>.

² See J. Hernandez, *Marvel and A Bathing Ape Revisit The BAPE STA With Iron Man, Captain America, and More*, Sneaker News (August 18, 2022), available at https://sneakernews.com/2022/08/18/marvel-bape-bapesta-2022-release-date/?utm_campaign=later-linkinbio-sneakernews&utm_content=later-29032738&utm_medium=social&utm_source=linkin.bio.

Arnold&Porter

USAPE LLC
August 24, 2022
Page 4



The Infringing Collaboration Products apply BAPE and third-party branding and images (*i.e.*, Disney and Marvel branding and images) to Nike's iconic Air Force 1 silhouette, suggesting a false collaboration between Nike, BAPE, Disney, and Marvel that is likely to cause confusion between your company's product offerings, Disney, Marvel, and Nike. It is Nike's prerogative to choose with whom it collaborates and what message its designs convey. These considerations are an integral part of Nike's branding and quality control over its designs. By creating products that insinuate collaborations that do not exist, BAPE has and will continue to cause substantial harm to Nike's brand and hard-earned reputation.

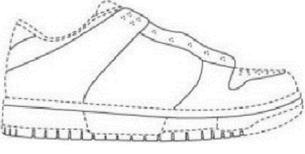
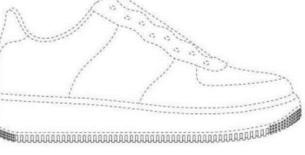
In addition, we recently learned of BAPE's re-emergence in the U.S. footwear market, in which it is selling and promoting shoes that make unauthorized use of the distinctive trade dress of Nike's Air Force 1 and Dunk shoe designs. Example images from your website are shown below (the "Infringing BAPE Products").

The Infringing BAPE Products

Infringing Product	Nike's Trade Dress

Arnold&Porter

USAPE LLC
August 24, 2022
Page 5

Infringing Product	Nike's Trade Dress
	
	
	
	

We understand this wasn't always the case. Prior to being acquired by I.T. in 2011, BAPE's initial presence and product offerings in the United States footwear market were limited and not widely available through online websites or markets. After being purchased by I.T., BAPE's footwear offerings focused on its Asian audience as its United States presence waned. During this time, we understand that BAPE made efforts to redesign its footwear products to less resemble Nike's designs.

BAPE's recent re-emergence in the United States market is accompanied by a material change in the volume and severity of its infringement of Nike's intellectual property. Specifically, we understand that BAPE recently redesigned its footwear products in such a way that the products are nearly identical to (and, in some cases are identical to) Nike's iconic and protected designs, as demonstrated above. Further, we understand that BAPE is selling the Infringing BAPE Products in several recently opened United States

Arnold&Porter

USAPE LLC
August 24, 2022
Page 6

stores, including New York Madison Avenue, New York SoHo, Los Angeles, and Miami. In addition to physical stores, the Infringing BAPE Products are made available for purchase in the United States on BAPE's website [us.bape.com].

BAPE's unauthorized use of the NIKE Trademarks is likely to cause confusion and/or dilution, or to create an erroneous association between your company's product offerings and Nike. By selling and promoting the Infringing Collaboration Products and Infringing BAPE Products depicted above, BAPE has and will continue to cause harm to Nike's brand and hard-earned reputation. Moreover, your company's unauthorized use of the NIKE Trademarks constitutes trademark infringement, trademark dilution, and unfair competition under state and federal laws.

Accordingly, Nike requests that your company immediately stop distributing, marketing, promoting, using, offering for sale, and/or selling in the United States, and importing into the United States, any product that infringes the NIKE Trademarks, including at least the Infringing Collaboration Products and Infringing BAPE Products referenced above (and all colorways of the Infringing Collaboration Products and Infringing BAPE Products). In addition, please provide us with the following information so that we may discuss an amicable resolution of this matter with you:

- (1) The number of Infringing Collaboration Products and Infringing BAPE Products BAPE has manufactured and/or sold;
- (2) An accounting of BAPE's revenues and profits from its sales of Infringing BAPE Products;
- (3) The model numbers and identifying indicia for all of the Infringing Collaboration Products and Infringing BAPE Products;
- (4) The number of all Infringing Collaboration Products and Infringing BAPE Products that remain in inventory; and
- (5) The identity of the manufacturer(s), importer(s), and your supplier(s)/source(s) for the Infringing Collaboration Products and Infringing BAPE Products.

Arnold&Porter

USAPE LLC
August 24, 2022
Page 7

We would like to engage in discussions to amicably resolve this matter as quickly as possible. Please contact me at your earliest convenience. You can email me at Michael.Harris@arnoldporter.com or call me at (312) 315-0917. We look forward to speaking with you about this issue. Note that this letter is without prejudice to Nike's assertion of any and all rights and remedies.

Best regards,



Michael Harris